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April 3, 1980

MEMORANDUM (Entire Text)

TO: ARA - Ambassador Bowdler
FROM: ARA/ECA - Claus W. Ruser
SUBJECT: Follow-Up on Smith Visit

Supplementing our two principal reports, I would like to give some personal impressions about Ambassador Smith's trip to Buenos Aires.

1. The Argentines were genuinely pleased by the Smith visit. It confirmed a more conciliatory U.S. approach. It also served their own interests since they are often queried by friendly governments why their relations with the U.S. are so poor. The visit (as the preceding ones by Goodpaster and Hodges) demonstrate to their own people that their relations (and their international acceptance) are improving.

2. Predictably, the human rights community and the political opposition in Argentina have reacted coolly to these visits. Human rights groups do not wish the U.S. to improve relations with the GOA. We should expect to see this reaction reflected by human rights groups here in the U.S. within a short period of time.

3. Smith and I told Argentine opposition leaders that human rights remain a central concern. They said, in essence, that the improvement in U.S.-Argentine relations weakens their political position and that we should take care to avoid the appearance of a shift in policy.

4. Videla, Viola, and Pastor all stalled on Tlatelolco; there was no glimmer that Argentina might ratify to put itself on the same basis as Brazil. There is awareness of a regional proliferation problem as Argentina pushes ahead with its nuclear program, and Smith played heavily on the emergence of a nuclear arms race on the Indian sub-continent. The tendency in Argentine thinking at this point is to downplay the problem on grounds that South America is basically a peaceful continent that lacks deep-rooted and abiding antagonisms among its peoples. (Smith's account of the developing nuclear competition between India and Pakistan was greeted with silence by the senior military officers meeting with him.)

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5. The Argentine leadership, on the other hand, is very conscious of the significance of Argentine-Brazilian cooperation. Their thinking on dealing with the proliferation problem within the Hemisphere seems to run in terms of mutual inspection with Brazil (there was an oblique reference to this in Castro Madeiro's talks with Smith) and, over the long term, some arrangement similar to EURATOM. But they are conscious of their technological lead, do not believe any other Latin American country will be able to catch up any time soon, and probably see these arrangements emerge step-by-step as other countries acquire nuclear facilities (in many cases through cooperation with Argentina).

6. The discussion on grains had worrisome aspects. Martinez de Hoz stressed that Argentina was in effect priced out of its traditional markets, thus laying a basis for a possible decision to exceed the informal export limits. For this reason we should continue to stress the importance of these limits. While export availabilities are sharply reduced, the present limits are quite generous by historic standards; any further increase in Argentine exports beyond these limits, even though modest, would be received badly here in Washington. } fn 5

7. Pastor stressed very heavily their desire that Humphrey-Kennedy be lifted. They know of the new waiver provision now in the Congress and the Embassy here is following the amendment closely. Smith gave them no encouragement that the prohibition could be lifted this year.

8. The economic team is extremely confident and made a strong presentation. They feel that their work to establish a pluralistic, efficient market economy and to decentralize the public sector (with many services shifted to the provinces and local communities), is laying the basis for a democratic state. They consider the structuralist arguments once propounded by Prebisch and the Economic Commission for Latin America totally discredited and believe that their own neo-conservative market-oriented policies are the wave of the future throughout Latin America.

9. Our interlocutors displayed some sensitivity and testiness about Smith's probes on human rights (basket 3), suggesting that "Argentina needs no lessons about democracy from the U.S.". They were quite categoric

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that disappearances were over and that the opening of the political dialogue was a first important step on the long road back to civilian institution.

10. With regard to Vaquero, Smith had received authority from the Secretary to propose a visit. In deference to ARA's position, however, he agreed to qualify his statement, stressing the need for continued favorable developments in human rights and U.S.-Argentine relations.

11. We noted with some surprise the strength and urgency of Pastor's presentation on the Beagle channel. (During the Goodpastor visit, his reference to the problem was low-key, almost perfunctory.) During the talks it appeared that Pastor's presentation was simply a restatement of an earlier Argentine position --during the 1978 crisis the Argentines argued that the U.S. should press the Chileans to be more flexible. In view of the most recent intelligence that the Argentine General Staff is once again beginning preparations for a military solution, Pastor's change in tone, in retrospect, conveys a more ominous note.

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